

# SMALL BUSINESS INCUBATOR TAX CREDIT PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

## **PURPOSE**

To generate private funds to be used to establish a “protective business environment” (incubator) in which a number of small businesses can collectively operate to foster growth and development during their start-up period.

## **AUTHORIZATION**

Section 620.495 RSMo.

## **HOW THE PROGRAM WORKS**

The Department of Economic Development (DED) will issue state tax credits to any taxpayer who makes a contribution to an approved incubator sponsor in Missouri equal to 50% of such contribution.

## **ELIGIBLE AREAS**

Statewide.

## **ELIGIBLE APPLICANTS**

Any taxpayer that makes a contribution to an approved Missouri incubator sponsor. An approved incubator sponsor must enter into a written agreement with DED to establish, operate and administer a small business incubator program or to provide funding to an organization which operates such a program.

## **ELIGIBLE USE OF TAX CREDITS**

The tax credits may be used to offset Missouri tax liability incurred pursuant to chapter 143, RSMo, chapter 147, RSMo, chapter 148, RSMo, exclusive of tax as provided for in sections 143.191 to 143.265, RSMo. The tax credit can be used in the tax period during which the contribution was made or in the next five tax periods thereafter. Tax credits may be sold, assigned or otherwise transferred to another taxpayer at anytime during the six-year period.

## **APPLICATION PROCEDURE/APPROVAL METHOD FOR THE CONTRIBUTOR**

The contributor must submit Missouri Form 620, “Verification of Contribution for Small Business Incubator Tax Credit,” to DED. There are no deadlines, however the program is based on first-come submission. DED will issue a tax credit certificate authorizing the applicant to claim the tax credit.

## **APPLICATION PROCEDURE/APPROVAL METHOD FOR THE SPONSOR**

The Incubator Sponsor should contact the DED small business incubator program to obtain an application. An application form #MO 419-1462 (07-89) shall be completed to demonstrate that all the requirements can be met. DED shall review and accept applications based on the following criteria:

1. Ability of the local sponsor to carry out the provisions of this section 620.495, RSMo
2. Economic impact of the incubator on the community;
3. Conformance with area wide and local economic development plans, if such exist;
4. Location of the incubator, in order to encourage geographic distribution of incubators across the state.

## **FUNDING LIMITS**

The minimum tax credit is \$1,500 per contributor. The maximum tax credit is \$50,000 per contributor if made to a single incubator and \$100,000 per contributor if made to multiple incubators. The overall maximum amount of tax credits that can be issued under this program in any one calendar year is \$500,000.

## **SPECIAL PROGRAM REQUIREMENTS**

A business eligible to locate within an Incubator, or Tenant, may be any sole proprietorship, business partnership or corporation operating a business for a profit.

The Sponsor is an organization that receives assistance through a local sponsor to operate an incubator. Local sponsors may be Missouri municipalities, counties, special tax districts and regional planning commissions; Missouri universities, community colleges, colleges and area vocational schools; or Not-for-profit corporations.

## **CONTACT**

Department of Economic Development  
Office of Business Finance  
301 W. High Street, PO Box 118  
Jefferson City, MO 65102  
Phone: 573-751-0295 Fax: 573-526-1567  
E-mail: [lschenewerk@ded.state.mo.us](mailto:lschenewerk@ded.state.mo.us)

## **OTHER INFORMATION SOURCES OF DED**

- Web site: [www.missouridevelopment.org](http://www.missouridevelopment.org)
- E-mail: [ecodev@ded.state.mo.us](mailto:ecodev@ded.state.mo.us)

## **MISSOURI ECONOMIC ASSISTANCE CENTER**

provides program summaries on resources that are available through the Department of Economic Development that maybe of assistance to your business or community. Visit the web site at

[www.missouridevelopment.org/business/economicassistancecenter](http://www.missouridevelopment.org/business/economicassistancecenter)

**MISSOURI LOCATION ONE** is an internet-based searchable system that shows available buildings and sites across Missouri. This system allows location consultants and company owners to evaluate Missouri communities from across the nation quickly and at no cost. This system can be accessed at [www.missouridevelopment.org](http://www.missouridevelopment.org) and clicking on business.

## **The DIVISION OF WORKFORCE DEVELOPMENT**

One-Stop Career Centers offers workforce development assistance to job seekers and

employers. By using the State's network of One-Stop Career Centers, customers can access America's Job Bank, seek referral and placement assistance, career counseling and testing, labor market information and use MISSOURI WORKS! an Internet based, self-service workforce development tool. Visit their web site at

[www.missouridevelopment.org/employment/workforcedevelopment](http://www.missouridevelopment.org/employment/workforcedevelopment)

**MISSOURI MARKETPLACE** offers information on thousands of Missouri-made products and services designed to encourage both in-state and out-of-state businesses and consumers to buy Missouri-made products. Registration is free and open to any Missouri-based company. To search the database or register your company, visit: [www.missourimarketplace.org](http://www.missourimarketplace.org)

## **DED'S OFFICE OF INTERNATIONAL MARKETING**

works to make companies aware of international opportunities and help them secure new business. For more information on the services available, please call (573) 751-4855, e-mail us at [missouri@ded.state.mo.us](mailto:missouri@ded.state.mo.us). or visit [www.missouridevelopment.org/business/internationalmarketing](http://www.missouridevelopment.org/business/internationalmarketing)